

**STATE OF MICHIGAN
DEPARTMENT OF LABOR & ECONOMIC GROWTH
OFFICE OF FINANCIAL AND INSURANCE SERVICES**

Before the Commissioner of the Office of Financial and Insurance Services

In the matter of:

**Kevin T. Rushlo
License No. 0282897**

Enforcement Case No. 06-4708

Respondent
_____ /

*Issued and entered
on September 5, 2006
by Frances K. Wallace
Chief Deputy Commissioner*

CONSENT ORDER AND STIPULATION

A. FINDINGS OF FACT AND CONCLUSIONS OF LAW

1. Kevin T. Rushlo ("Respondent") was a licensed insurance producer in the State of Michigan from July 1, 2002 to January 31, 2006.
2. On February 1, 2006, OFIS changed Respondent's licensing status to "Inactive" after he Voluntarily Surrendered his insurance producer license on January 31, 2006.
3. Respondent knew or had reason to know that Section 1239(1)(b) of the Michigan Insurance Code ("Code") provides that the Commissioner may revoke a producer's license for violating any insurance laws or violating any regulation, subpoena, or order of the commissioner or of another state's insurance commissioner.
4. Respondent further knew or had reason to know that Section 1239(1)(d) of the Code provides that the Commissioner may revoke a producer's license for improperly withholding, misappropriating, or converting any money or property received in the course of doing insurance business.
5. Respondent further knew or had reason to know that Section 1239(1)(e) of the Code provides that the Commissioner may revoke a producer's license for intentionally

- misrepresenting the terms of an actual or proposed insurance contract or application for insurance.
6. Respondent further knew or had reason to know that Section 1239(1)(h) of the Code provides that the Commissioner may revoke a producer's license for using fraudulent, coercive, or dishonest practices or demonstrating incompetence, untrustworthiness, or financial irresponsibility in the conduct of business in this state or elsewhere.
 7. Respondent further knew or had reason to know that Section 1239(1)(i) of the Code provides that the Commissioner may revoke a producer's license for having an insurance producer license or its equivalent denied, suspended, or revoked in any other state, province, district, or territory.
 8. Respondent further knew or had reason to know that Section 1239(1)(j) of the Code provides that the Commissioner may revoke a producer's license for forging another's name to an application for insurance or to any document related to an insurance transaction.
 9. Respondent further knew or had reason to know that Section 2018 of the Code provides that an unfair method of competition and an unfair or deceptive act or practice in the business of insurance include making false or fraudulent statements or representations on or relative to an application for an insurance policy for the purpose of obtaining a fee, commission, money, or other benefit from an insurer, agent, broker, or individual.
 10. On June 23, 2006, OFIS initiated an investigation when it received a letter of complaint from Laurie Woodson, Investigator, AFLAC, Special Investigations Unit.
 11. The complaint alleges that between January 14, 2006 and April 3, 2006, while Respondent was an insurance producer in the State of Arizona, he submitted to American Family Life Assurance Company of Columbus (AFLAC) 154 fictitious accident and health insurance policy applications for eight payroll groups representing \$78, 522.24 in annual premium which resulted in the payment of \$14,747.40 in commissions to Respondent.
 12. On May 10, 2006, in a recorded telephone interview with Laurie Woodson, Respondent admitted to submitting applications for companies that did not exist.
 13. On July 18, 2006, Respondent and the State of Arizona entered into a Consent Order, which revoked Respondent's insurance license and ordered Respondent to pay \$14,747.40 in restitution.
 14. By the conduct described above, Respondent violated Section 1239(1)(b), (d), (e), (h), (i), and (j), and 2018 of the Code, and is therefore subject to license revocation pursuant to Section 1239(1), and Section 1244(1) of the Insurance Code.

B. ORDER

Based on the findings of fact and conclusions of law above and Respondent's stipulation, it is **ORDERED** that:

1. Respondent shall immediately cease and desist from operating in such a manner as to violate Section 1239(1) and 2018 of the Code.
2. Respondent's insurance producer license is **REVOKED**.
3. Respondent shall pay to the State of Michigan a civil fine of One Thousand Dollars (\$1000.00). Upon execution of this Order, OFIS will send Respondent an Invoice for the civil fine, which will be due within 30 days of issuance of the Invoice.

Frances K. Wallace
Chief Deputy Commissioner